

## Message Text

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PAGE 01 MANILA 19001 020838Z  
ACTION ABF-01

INFO OCT-01 EA-10 ISO-00 /012 W  
-----029761 020844Z /17  
P 020754Z DEC 77  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC PRIORITY 8657

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E.O. 11652: NA  
TAGS: MILI, RP  
SUBJECT: DEFENSE RATION CONTROL SYSTEM

REF: (A) STATE A-4422, NOVEMBER 3, 1977; (B) STATE 280955

1. SINCE THE REFERENCED GAO REPORT WAS PREPARED, THE GOVERNMENT OF THE PHILIPPINES (GOP) HAS SHOWN GREATER INTEREST IN DOING ITS SHARE TO CONTROL THE PROBLEM OF BLACKMARKETING OF US BX AND COMMISSARY GOODS IN THE PHILIPPINES. AT A TIME WHEN WE ARE ENCOURAGING PHILIPPINE AUTHORITIES TO CONTINUE WITH THE PROMISING START THEY HAVE MADE, OPEN PUBLICATION OF THE CRITICAL COMMENTS BY THE GAO ON PHILIPPINE GOVERNMENT PERFORMANCE IN THIS AREA COULD BE COUNTERPRODUCTIVE.

2. WE RECOMMEND THAT THE FOLLOWING SENTENCES BE CLASSIFIED IN VIEW OF THIS CONSIDERATION:

A. DRAFT COVER LETTER TO SECRETARY OF DEFENSE:

1) PAGE ONE, SECOND PARA, SECOND SENTENCE:

"WE ALSO FOUND THE US IS ATTEMPTING TO CONTROL... BUT LITTLE OR NO COOPERATION IS BEING RECEIVED FROM LOCAL AUTHORITIES..."

2) PAGE 5, ENTIRE FIFTH PARA (CARRIES OVER INTO PAGE 6): "WE FOUND LITTLE OR NO EVIDENCE THE LIMITED OFFICIAL USE

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PHILIPPINE GOVERNMENT WAS COOPERATING...31 US FORCES PERSONNEL AT TWO BASES WERE ON LEGAL HOLD PENDING SETTLEMENT OF THEIR CASES."

3) PAGE 6, ENTIRE SECOND PARA : "ADDITIONALLY, US INVESTIGATIVE... MOST ARE STILL OPERATING."

4) PAGE 6, ENTIRE SEVENTH PARA : "THE US HAS BEEN  
IN THE FOREFRONT... PHILIPPINES GOVERNMENT COULD  
IMMEDIATELY STOP SUCH SALES IF UM SO DESIRED."

5) PAGE 7, THIRD PARA, SECOND SENTENCE: "MORE  
VIGOROUS ACTION COULD BE TAKEN...IN DISCOURAGING  
THE SALE OF THESE GOODS."

6) PAGE 8, ENTIRE SECOND SUBPARAGRAPH: "THE  
COMMANDER-IN-CHIEF...SHOULD MAKE THE COOPERATION OF  
PHILIPPINE AUTHORITIES...A CONDITION FOR NEGOTIATION  
OF US BASES AGREEMENT BETWEEN THE TWO COUNTRIES."

B) DRAFT REPORT (APPENDIX 11)

1) PAGE 3, FIRST PARA, LAST SENTENCE: "WE WERE  
ADVISED NOT TO ATTEMPT TO FILM...BECAUSE OUR  
PERSONNEL SAFETY COULD NOT BE GUARANTEED."

2) PAGE 7, ENTIRE FOURTH PARA (LEADING INTO  
PAGE 8): "THE PRACTICE OF USING PHILIPPINE  
COURTS...INVOLVING SOLICITATION OF DUTY FREE GOODS."

3) PAGE 8, ENTIRE SECOND PARA (LEADING INTO PAGE 9);  
"THE LEGAL HOLD SITUATION...IS FREE TO CONTINUE HIS  
OPERATIONS."

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4) PAGE 9, ENTIRE SECOND PARA : "SEVERAL TIMES  
IN THE PAST...MOST WERE STILL OPERATING."

3. COMMENT. THE GOP IS BEGINNING TO MOVE IN THE RIGHT  
DIRECTION ON THE IMPORTANT PROBLEM OF BLACKMARKETING. THERE  
IS A REMOTE CHANCE THAT THE UNQUALIFIED CRITICISM CONTAINED  
IN THE GAO REPORT MIGHT ENCOURAGE THE GOP TO MOVE FASTER  
BUT THE LIKELIHOOD IS FAR GREATER THAT THESE CRITICAL  
OBSERVATIONS MIGHT TRIGGER AN EMOTIONAL REACTION WHICH  
COULD SLOW OR REVERSE THE PROGRESS NOW BEING MADE.  
NEWSOM

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE A-4422, 77 STATE 280955  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DEFENSE RATION CONTROL SYSTEM  
**TAGS:** MILI, RP  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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